

MINUTE ITEM

22. CONSIDERATION OF SUBSIDENCE COSTS PROJECTS, LONG BEACH - ADDITIONAL COSTS TO L.B.W.O. 10,071 - TOWN LOT AREA.

Following presentation of Calendar Item 28 attached, the Chairman directed that the opinion of the office of the Attorney General be requested as to establishment of the principles for cost deductions by the City of Long Beach and State participation in any enhanced values of properties acquired by the City with the aid of subsidence deductions. Mr. Cranston added that in the event State participation was not provided for, consideration should be given in the opinion as to an appropriate amendment to existing statutes.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION CONDITIONALLY APPROVES THE TOWN LOT AREA PROJECT AS A SUBSIDENCE PROJECT AND THE COSTS PROPOSED TO BE EXPENDED THEREUNDER FOR REPLACEMENT OF A PORTION OF THE WATER SYSTEM, FOR PROTECTION OR RELOCATION OF OIL FACILITIES, AND FOR PLACEMENT OF ADDITIONAL EARTH FILL AND THE FORCE ACCOUNT ASSOCIATED WITH THESE ITEMS FOR THE PERIOD MARCH 25, 1959 TO JUNE 30, 1959 AS SHOWN ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5 (a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE ITEMS OF WORK HAVE BEEN COMPLETED; AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS AND SAID WORK; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTIONS OF THE COSTS OF THE TOWN LOT PROJECT UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THAT THE EXECUTIVE OFFICER, OR THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment

Calendar Item 28 (2 pages)

CALENDAR ITEM

28.

CONSIDERATION OF SUBSIDENCE COSTS PROJECTS, LONG BEACH - ADDITIONAL COSTS TO L.B.W.O. 10,071.

On June 11, 1958 (Minute Item 22, pages 4120-25), the Commission conditionally approved the costs to be expended in the 1958-59 Fiscal Year by the Harbor Department of the City of Long Beach, including subsidence remedial work, for the TOWN LOT area project. Subsequent to the above-mentioned approval, it developed that additional expenditures will be incurred by the Harbor Department. These costs will arise from the construction of a water main to partially replace the existing water system in Areas 4 and 7; from the cost of relocating oil facilities due to placement of earth fills or, in some cases, to the protection of oil facilities against the slopes of earth fills; and the cost of increased amounts of earth fills compared to the amounts originally estimated.

On December 8, 1958, the Harbor Department submitted a report entitled "Evaluation of Town Lot Property Acquisition" which is a revision to a similar report submitted on May 6, 1958. Pending staff review of the current report and agreement with the City on the degree of subsidence in the project, it is desirable that the present status continue.

IT IS RECOMMENDED THAT THE COMMISSION CONDITIONALLY APPROVE THE TOWN LOT AREA PROJECT AS A SUBSIDENCE PROJECT AND THE COSTS PROPOSED TO BE EXPENDED THEREUNDER FOR REPLACEMENT OF A PORTION OF THE WATER SYSTEM, FOR PROTECTION OR RELOCATION OF OIL FACILITIES, AND FOR PLACEMENT OF ADDITIONAL EARTH FILL AND THE FORCE ACCOUNT ASSOCIATED WITH THESE ITEMS FOR THE PERIOD MARCH 25, 1959 TO JUNE 30, 1959 AS SHOWN ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE ITEMS OF WORK HAVE BEEN COMPLETED; AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS AND SAID WORK; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTIONS OF THE COSTS OF THE TOWN LOT PROJECT UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THAT THE EXECUTIVE OFFICER, OR THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment
Exhibit "A"

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,071 - ADDITION NO. 6 to Project and Estimate
Submitted by the Port of Long Beach, TOWN LOT.

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	LBHD ESTIMATED TOTAL SUBPROJECT EXPENDITURE MARCH 25, 1959 TO JUNE 30, 1959	<u>SUBSIDENCE AUTHORIZATION</u>
1	313**	Public Utilities, Area 7 (Construction of water main, 24-inch diameter), Spec. HD 566	\$110,000	*
2	315	Area 7, Raise, Relocate or Purchase Oil Facilities	\$ 76,100	*
3	320	Area 4, Raise, Relocate or Purchase Oil Facilities	\$ 15,800	*
4	318	Area 4, Earth Fill	\$200,000	*

* Subject to later determination by the State Lands Commission.

** Portions of this work are in Area 4.